

## **CITY OF SEWARD ECONOMIC DEVELOPMENT MEETING**

**November 4, 2010**

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The City of Seward held an Economic Development Town Hall Meeting, November 4, 2010 from 7 to 10:30 PM.

The facilitators for the City of Seward meeting were Christi Bell and Linda Ketchum of the UA Center for Economic Development - <http://ced.uaa.alaska.edu/>. Bell and Ketchum met with the City of Seward City Manager and staff of the City of Seward prior to the workshop to seek their input and understand desired outcomes.

The City of Seward in sponsoring the Economic Development Town Hall Meeting had the goal of discussing three key economic development issues: (1) year-round city support of retail, restaurant, and lodging businesses; (2) city encouragement of small businesses and start-ups; and (3) changes the city could institute to become more business friendly. In preparation for the meeting a survey that queried Seward residents and businesses on these topics was distributed.

The facilitators were asked to involve business support resources into the conversation so local residents and business owners left the meeting with increased awareness of resources that exist outside of Seward that they could tap into. As such, John Torgerson of the Kenai Peninsula Economic Development District and Bryan Zak of the Alaska Small Business Development Center made presentations. Linda Ketchum of the UA Center for Economic Development also presented on AK SourceLink a web based business support service - <http://www.aksourcelink.com/>.

A secondary or added value component of the meeting was to teach a new facilitation technique being adopted by community groups across the nation. The approach is called "strategic doing" and it encourages a community to tackle complex civic challenges through short-term actionable items that focus on assets to be linked, aligned or leveraged in new ways.

Following is a summary of the strategic doing process and after this a summary of the town hall meeting outcomes. Survey responses and the outcomes from the TIP Strategies Economic Development Assessment have also been incorporated into the summary where relevant to ensure that this summary is comprehensive and best able to be used as a launch for further community dialog.

## Strategic Doing Summary

The concept of strategic doing was developed by the Purdue Center for Regional Development. In short, the idea is that complex projects can be accomplished through improved leveraging of networks and shared resources. The idea is to focus more on collaborative networks and short-term actionable items rather than a single organization's longer-term strategic plan.

In today's fast-paced world it is imperative that civic leaders and community members develop new tools to ensure that planning efforts are efficient and effective. One of the basic premises is that many organizations work in tandem to address economic development issues strategically. This leveraging of collaborative networks ultimately results in greater organizational effectiveness.

Specifically, the idea of a "quad-helix" was introduced. This concept acknowledges the importance of the public, private, and non-profit sectors coming together with institutes of higher learning to engage in a cohesive conversation.

The basic elements of strategic doing include:

What Could We Do? – Asset mapping – patterns, connections, collaborations

What Should We Do? – Clearly defined actions

What Will We Do? – What is feasible given time and financial constraints?

How Will We Learn and Share? – Open Source Networks; Internal Tools

The initial conversation focused on "What could we do?" and the rest of this document outlines the main points. The following actions were agreed as next steps:

1. Compile and distribute meeting notes;
2. Develop communications plan and system for sharing outcomes;
3. Schedule meetings of interested cluster groups would meet; and
4. Identify additional members based on the quad-helix model.

A second planning meeting will be held December 14, 2010 from 7 to 10PM.

*The City of Seward's resources, capabilities and core competencies are critical in creating a future. There are often more investment options than a community can respond to. Knowledge of Seward's strengths or assets will assist community leaders in knowing where to focus and which opportunities align. A candid assessment of weaknesses will inject a dose of reality into the development process. Common areas of consideration include: human resources, technology, access to capital, business climate, infrastructure and quality of life.*

## **Strengths - Assets**

- Highway access and proximity to Anchorage
  - Possible to work and live in Seward and enjoy a higher quality of life
  - Access to Anchorage's customer/client base
- Ice free port with road and rail access
- Community residents are active and want to participate in a change process
- Alaska Sealife Center (70 percent of visitor traffic is independent travelers)
- Quality of life – natural scenic beauty and geographic assets
- Walking community – live, work, shop, and dine in a very close proximity
- Closest national park to Anchorage
- Recreational opportunities year-round (Lost Lake; Exit Glacier)
- Cost of living less than Anchorage
- Group of under 30's in town that is very entrepreneurial
- Attractive retirement community – attract AK residents
- Margret Branson pavilion
- Infrastructure available – airport; port
- Mayor, City Council and City Manager – “can do” attitude

## **Weakness**

- Highway access – proximity to Anchorage means residents not buying locally
- Cost of living, utilities are too high
- Businesses have a hard time due to utility costs
- Inflexible business-related regulations (City doesn't always fully explore impacts prior to implementing – negative incentive to private industry)
- Lack of or limited affordable housing
- Additional taxes (i.e. fish tax) make Seward less competitive
- Limited businesses opportunities and work in the winter
- Unwillingness to change Seward's current paradigm
- Land ownership - City of Seward, Railroad or Lierer family – limits investment; difficult to lease due to financing constraints
- Lack of infrastructure is a negative for businesses looking to invest in Seward (first developer disadvantage exists)
- Airport is small in comparison to Homer and experiences weather challenges
- “Them and us” mentality – business vs. government

*Opportunities and threats are those external forces that community leaders cannot directly control, which ultimately influence pursuit of strategies. There are major outside forces that will make a difference in whether or not the City of Seward succeeds. These typically include residents, leaders, partners, and competing community actions, and the social, political, economic and technological forces that influence every community.*

## **Opportunities**

- Locally-based, advanced academic and research infrastructure
- Leveraging of Alaska Vocational Technical College
- Deepwater port
- Cheaper housing stock
- Gravel sales or use
- Diversified businesses in Seward
- Seward a port of call for cruise industry
- Community Development Quota – Coastal Villages port development
- Home porting of RV Sikuliaq, UAF Arctic Research vessel – starting 2014
- Marine research, education and technology development

## **Threats**

- Greater Seward area population is aging and flat
- City of Seward population is aging and declining in numbers
- Student enrollment numbers have been flat or declining since 1996
  - Need to attract young families to Seward
- Retail establishments are declining in numbers over prior decade
- Business formations and employment flat in recent years
- Business surveys predict that businesses will be closing or moving
- Key professions (nurses, teaching, general managers) reflect aging population – 2/3<sup>rd</sup> of employees are 45 or older – potential for future labor shortage
- Local well-trained labor force limited – difficulty finding skilled excess labor
- Sales tax revenues are declining & costs to operate the City are increasing
- Lack of local economies of scale and diminishing population base
- Fishing permit holders generally do not reside in Seward
- DNR wants to receive payment for gravel

## Strategic Comments and Industry Related Opportunities

Participants commented either at the town hall meeting or through the survey distributed prior to the meeting on city specific actions that could be taken to support a stronger business climate in Seward. Participants were in favor of economic development policies and strategies that enhance the quality of life and provide for improved employment opportunities given reduced regulations and increased support to local businesses. City-specific recommended actions items (in no particular order) included:

- Improve attitude towards business community – City departments need to be easier to work with and more customer friendly
  - Ease the permitting process
- Eliminate all (property, sales) taxes or provide tax-related incentives or breaks
- Eliminate or lower commercial utility rates in the off-season – encourage customer service training specific to the electric utility personnel
- Eliminate or lower other city fees – create incentives for users
  - Reduce harbor/marine tax structures
  - Structure fees lower for entry businesses and increase over years
- Market and promote local businesses
- Provide tax breaks to businesses and property owners who invest to improve the aesthetic look of their business or residence
- Assist with reducing energy costs – explore alternative energy options and provide opportunities and information on energy efficiency and conservation
  - Find ways to reduce fuel surcharge fees
- Improve year-round road access to Seward – snow plowing improvements
- Reinstate the Federal Essential Air Service subsidy
- Resolve impediments to business and leverage investment opportunities to act as a business catalyst and leader in enabling further business investment
- Lobby on the behalf of local businesses particularly those that are core economic engines – Alaska Sealife Center; AVTEC; Cruise Industry, etc
- Review land lease fees and terms to make it easier for a private investor to be attracted to development opportunities in Seward
- Support quality of life initiatives such as the Library Museum Project
- Participate in City of Seward buy local campaign and purchase City supplies from local vendors and suppliers instead of Anchorage-based vendors
- Break-up capital projects into smaller components so Seward businesses can bid
- Complete the construction of the new library/museum building
- Provide 2 days of moorage to vessels offloading seafood to local processors
- Require shuttle contactor to use a hybrid bus
- Consider a seasonal sales tax to support a winter “buy local” initiative

Additional ideas were brought up during the community meeting or through the community survey process that were specific to the community in general, rather than action that the City can champion alone. These are captured here in the following broader categories.

### **Marketing and Communications (Lead: Chamber of Commerce)**

#### External communication focuses

- Tourism Improving business in winter
  - Campaign to attract visitors
  - Organize buses from out of town
- Fishing vessels
- Conferences
- Residential – attracting new year round residents (future)
- Business opportunities – advertise for need for desired businesses

#### Internal communications focuses

- No central calendar to communicate what's happening
- Buy Local campaign
- Residential (current)

### **City of Seward Economic Development Plan (Lead: City Council/City Manager)**

- Need to establish a planning process and ensure broad participation
- Need to understand priorities in order to make policy decisions
- Residents say they want more jobs, but there is no clear understanding of the types of jobs needed
- City policies
- Privatization
- Rate structure
- Customer service attitude

### **Infrastructure (Lead: Port and Commerce Advisory Board)**

- Build and enhance infrastructure necessary to attract business
- Seward Marine Industrial Center - breakwater
- Harbor development
- Airport expansion
- Breakwater completed
- Provide for water on the fuel dock

## **Industry-Specific Comments**

### Tourism (Retail, restaurant, and lodging support)

- Create a stronger draw to Seward
  - Christmas train, and other events
  - Conventions – Firefighters convention, Parks and Rec., etc.
  - Build an attraction
- Create a more robust walking/shopping district
- Open Exit Glacier Road access to the glacier and area
- Work with state to plow local roads like Exit Glacier to open access
- Park Service is kicking off three year feasibility study of motorized access and alternative transportation access to glacier
- Market Exit Glacier Road as closed – excellent hiking and skiing draw
- Open or encourage greater winter motor access – conduct feasibility study
- 80 mile – “Lost Lake” – envy of snow machine world – establish a snow machine club and begin marketing area
- Little Bear Lake – develop a downhill ski area/resort
- State is offering grants for maintenance of ski and snowmobile trails
- Establish Seward as a Port of Call
- Stock silver salmon in Resurrection Bay

### Fisheries – Commercial and Sport

- Encourage greater appreciation, accommodation and welcome among harbor employees towards transient or local fishermen delivering catch
- Provide a welcome packet of activities and accommodations to transient commercial fishermen and commercial marine operators
- Provide 1 to 2 days free moorage annual to transient commercial fishers that deliver their catch in Seward – base discount on fish ticket
- Maintain utility service fees, and moorage rates and review first economic impacts of changes to regulatory code and fee increases prior to implementing
- Develop fish enhancement program to stock fish in the bay
- Improve - Seward Silver Salmon Derby requires broader support and improved prizes – change bag limits during derby from 3 to 6
- Pursue Seward Marine Industrial Center (SMIC) development
  - Basin repair and development; Travelift
- Reduce or eliminate personal property tax on marine vessel operations
- Identify plan for land available for development in other areas of Seward
- Attract large investor like Community Development Quota group

### Prison

- Explore why prison employees not residents? (Need to determine % residents) – believe administrators and +/-50% of CO's now live in Seward area
- Opportunity to survey to learn why not – is it lack of affordable housing?
- Opportunity to seek out work for spouses – develop job site to attract

## Entrepreneurial Climate Opportunities

- Improve overall business climate
  - Involve existing business community – encourage active role in business retention, expansion and recruitment – activities to involve in include fundraising, business roundtables, meetings with local businesses, hosting new investment prospects, attending trips to other places.
  - City can support a stronger entrepreneurial climate through
    - Consistent code enforcement across departments;
    - Improved IT systems – integrating departments;
    - Creation of a guide for steps to take to lease City property
    - Development of a flow chart for permitting, licensing, and development process steps for City staff and business owner
    - Streamlining the permitting process for qualified new, expanding, or relocating businesses.
  - Privatize city services
    - snow removal/street cleaning;
    - parking;
    - equipment & vehicle maintenance;
    - landscaping services;
    - campground management;
    - ship yard and marine uplands management; and
    - child care
- Attract human resources to area and raise awareness of workforce development programs and services offered to local businesses
- Partner with AVTEC to establish a more formal internship/apprenticeship program
- Work with the financial community, other economic development groups and the State of Alaska to identify resources and improve access to capital
- Encourage technology use and development to attract “tele-commuters”
  - Develop Citywide wireless service
  - Buy local website that promotes existing business products and services
- Partner with University of Alaska and/or AVTEC to provide dormitory or lodging services to students and researchers coming into the community – privately owned and operated dormitory housing
- Create a hydro electric energy source
- Advertise or create a campaign around other business development ideas
  - Cleaning
  - child care services
  - miniature golf
  - birding-related businesses
- Quality of life considerations
  - Affordable utilities
  - Affordable housing
  - Active and vibrant downtown core
  - Outdoor recreational opportunities
  - Seasonal businesses
  - Community events
  - Retirement friendly
  - Family life and raising children in Seward

## Marketing and Communications - External

### Discussion – What Could We Do?

- Unite Merchants’ Association, Chamber, and Economic Development efforts into a shared marketing plan and strategy – establish central point of communication
- Adopt new bed tax language that dedicates all or some percentage of funds to marketing and keeps the money out of politics
- Develop ad campaign that markets Seward as being open year-round
- Revisit past community campaign – “Fun Capital” vs “Mural Capital”
- Attract conference attendees to Seward from Anchorage – work directly with the Anchorage Convention and Visitors Bureau and Dena’ina
- Develop attraction strategies
  - Fashion Show
  - Reading group at bookstore
- Pursue partnerships with parks/federal government to fund the Sealife Center to assure sustainability
- Turnagain Times – reach out to publication to get Seward included
- Market Seward as an ideal “in-state” retirement destination
- Improve road signage
- Market proximity to national and state parks and them as attraction
- Develop strategy to attract cruise industry back to Seward

### What Should We Do?

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### What Will We Do?

- Utilize existing mechanisms such as the Chamber marketing committee instead of developing a new taskforce
- Place an online ad with the Anchorage Daily News to attract attention to Seward
- Hire buses to collect guests from Anchorage for weekend events in Seward
- Message – Seward doesn’t hibernate in the winter, neither should you

## Marketing and Communications - Internal

### Discussion – What Could We Do?

- Establish central point of communications or adopt new systems so everyone knows where to go consistently for community related information – link all organizations
  - Calendar of events
  - Log and City News
  - Local Clubs
  - Chamber could be hub
- Launch a “Buy Local” campaign start with a Christmas Local purchase campaign
- Use local high school students to assist with “Buy Local” campaign
- Encourage local business owners to buy local – identify what services are missing to support local business start-up if necessary
- Develop campaign to encourage purchase of Sealife Center membership to keep doors open
- Develop an ad campaign for the community and utilize existing media such as Seward Phoenix Log to get communications out
- Market “walking community” asset

### What Should We Do?

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### What Will We Do?

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## City of Seward Economic Development Plan – City Council lead

### Discussion – What Could We Do?

- Develop a clearly articulated vision for the community
- Redefine the mission of the City Council to better represent the interest of the community and necessity for stronger entrepreneurial capacity-building
- Establish clear goals and action strategies for achieving goals and aligned with long-term vision
- Develop an implementation plan and resource allocation strategies
- Develop systems to respond to recommendations from community & industry studies, surveys and community forums
- Commit resources and a portion of the plan to aggressively retaining, expanding and attracting private capital investment in Seward
- Develop economic development teams according to industry segments and include (public officials, higher ed, private industry and non-profit) participants
- Prepare industry trends reports regularly (once or twice/year)
- Attract industries that hire and retain existing educated workforce
- Coordinate economic development
- Focus on shorter time horizons and global changes and considerations

### What Should We Do?



### What Will We Do?



## Infrastructure (Port and Commerce Advisory Board taking lead)

### Discussion – What Could We Do?

- Develop city and state lands to interest potential investors from both domestic and international
- Build new and enhance existing infrastructure that attracts business
- Open more land for development
- Manage land lease issues
- Develop or incorporate necessary infrastructure into the harbor to support fishing fleet
  - Docks (water, electricity)
  - Public crane and grid
  - (Un) loading dock accessible for trucks and forklifts
- SMIC basin repair and develop
- Review needs of all groups of marine facility users and establish priorities
- Establish “one-stop shop” or single location for permitting and development review.
- Establish a development incentive policy – establish criteria around community goals necessary to trigger incentives and then develop incentive package

### What Should We Do?

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### What Will We Do?

- Revisions to Seward City Title 15 – varied land use and intent is to open up land for business lease and use
- Seward City Planning and Zoning Commission meets Nov 16, 2010 at 6:30
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